



ECON2102/2220 Intermediate Macroeconomics
2016-2017

ECON2102A/2220A

Instructor: C.Y. Tse

Office: 1006 KKL

Office hours: Monday and Thursday 11:00am-12:00pm or by appointment

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Semester: 1

Class meeting: Monday 12:30pm-2:20pm, Thursday 12:30pm-1:20pm in KKLG109

Teaching assistant: TBA

ECON2102B/2220B

Instructor: H. Chen

Office: 915 KKL

Office hours: TBA

E-mail: hengchen@hku.hk

Semester: 1

Class meeting: Friday 2:30pm – 5:20pm in MB237

Teaching assistant: TBA

ECON2102CD/2220CD

Instructor: C. Chen

Office: 901 KKL

Office hours: TBA

E-mail: ccfour@hku.hk

Semester: 2

Class meeting:

ECON2102C/2220C: Tuesday 1:30pm – 4:20pm in LE3

ECON2102D/2220D: Monday 2:30pm – 5:20pm in KK201

Teaching assistant: TBA

Prerequisites: ECON1001/1210 Introductory microeconomics and ECON1002/1220 Introductory macroeconomics according to the *Regulations, Syllabus & Structure and List of Courses for the BEcon and BEcon&Fin programmes*.

The course is primarily for students majoring in economics and as such can be technical at times, involving the use of mathematics including elementary calculus.

Textbook: *Macroeconomics* by Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, 8th edition, Pearson Addison Wesley.

Assessment:

Homework	20%
Test	20%
Examination	60%

Course Description:

Theories of income, employment, and the price level; analysis of secular growth and business fluctuations; introduction to monetary and fiscal policy.

This course is macroeconomics—the study of the entire economy as opposed to individual markets—at an intermediate level. Questions include but are not limited to: What drives long-run economic growth? What causes short-run fluctuations in income and output? How do government policies affect aggregate output, unemployment, and inflation? A variety of models are developed in macroeconomics to analyze such questions. This course introduces students to the basic models for the major macroeconomic questions.

While the topics covered are similar to topics covered in Introductory Macroeconomics, the approach in this class would be quite different to the extent that the theory examined would be firmly grounded on rigorous economic principles as far as possible, an approach that is known as the microeconomic foundation of macroeconomics.

Course Objectives:

1. To provide a simple yet rigorous framework to understand real world macroeconomic events.
2. To avoid the fallacies and mistakes often made in the popular press and by your favorite investment gurus on the causes and consequences of long-run growth and short-run fluctuations.
3. To prepare students for more advanced studies in macroeconomics.

Alignments of faculty's overall goals and course learning outcomes:

Course Learning Outcomes	Aligned Faculty Goals
CLO1. Be able to interpret real world macroeconomic events intelligently.	Goal# 1, 2, 3, 4, 5
CLO2. Be ready for more advanced studies in macroeconomics.	Goal# 1, 2
CLO3. Be able to distinguish good and bad explanations for particular macroeconomic developments.	Goal# 1, 2, 3, 4
CLO4. Be able to understand and articulate the effects of important macroeconomic policy changes.	Goal# 1, 2, 3, 4, 5

Goal 1 - Acquisition and internalization of knowledge of the programme discipline
 Goal 2 - Application and integration of knowledge
 Goal 3 - Inculcating professionalism and leadership
 Goal 4 - Developing global outlook
 Goal 5 - Mastering communication skills

Teaching and Learning Activities (TLA):

Activities	Expected contact hours	Study load (% of study)
1. Lecture	36	26
2. Tutorial	10	7
3. Problem set	20	15
4. Readings and revisions	70	52
Total	136	100

Alignment Among Course Intended Learning Outcome and Teaching and Learning Activities:

Learning Outcome	Teaching and learning activity (TLA)
CILO1	TLA1, TLA2, TLA3, TLA4
CILO2	TLA1, TLA2, TLA3, TLA4
CILO3	TLA1, TLA2, TLA3, TLA4
CILO4	TLA1, TLA2, TLA3, TLA4

Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning Outcomes
A1. Homework		20%	CLO1-4
A2. Test		20%	CLO1-4
A3. Examination		60%	CLO1-4

Standards of Assessment:

Grade	Grade Definition	Description
A+, A, A-	High distinction	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
B+, B, B-	Distinction	Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
C+, C, C-	Credit pass	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis
D	Pass	Evidence of basic familiarity with the subject.
F	Fail	Little evidence of basic familiarity with the subject.

Assessment Rubrics for Homework, Midterm Exam, and Final Exam are the same as in course grade descriptors.

Topics (tentative schedules)

1. Review of national income accounting (1 week)
2. Basic ingredients of macroeconomic theory (3 weeks)
 - a. labor market equilibrium and full-employment output
 - b. consumption, saving, and investment
 - c. the asset market, money and prices
3. Business cycles (4-5 weeks)
 - a. business cycle facts
 - b. the IS-LM/AD-AS model
 - c. classical business cycle theory
 - d. Keynesian business cycle theory
4. Macroeconomic Policy (2-3 weeks)
 - a. inflation-unemployment tradeoff
 - b. fractional reserve banking and monetary policy
 - c. rules versus discretion in monetary policy
5. Long-run economic growth (2 weeks)
 - a. the Solow growth model and its implications

Readings

- chapter 2
- chapter 3
chapter 4
chapter 7
- chapter 8
chapter 9
chapter 10
chapter 11
- chapter 12
chapter 14
chapter 14
- chapter 6

Academic Conduct:

The University Regulations on academic dishonesty - behaviors in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another will be strictly enforced. The Board of Examiners may impose a penalty in relation to the

seriousness of the offence and may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those imposed by the BoE might be invoked.